**Letter to Hall Managers – Update \_2** **02/04/2020**

The initial flurry of government announcements seems to have subsided and detail has now been added to many of those announcements.  This is our current understanding of where things are in respect of support for Masonic Halls.

With the government restrictions and with the announcement of the suspension of lodge meetings by UGLE, our halls will pretty much be closed.  That means, although there is little or no revenue, you will still have responsibility for contracted agreements like lease purchase, or service contracts.  Each halls ability to get out of these contracts is determined by the contract itself and the relationship the hall has with the supplier, but it is likely that some if not all cannot be avoided putting a drain on cash reserves.

We have had confirmation from Masonic Mutual and have seen documents from other insurers that would suggest that even if a hall has a business interruption policy it is unlikely to pay out.  Details of the masonic mutual documents are on our web page here.

There are two types of help available.  There is the decision to defer any rates bill for 2020/21 and the offer of cash grants based on the rateable value of your property.  This value is shown on the rates bill as is a description of your business which will determine which category it is in.

There are two cash grants.  One is for businesses who have been eligible for small business rate relief and the other is for businesses in the retail, hospitality and leisure industry, which would account for most of our halls.  The small business one is the simplest, in that any business that qualified for small business rate relief in 2019/20 is eligible for a grant of £10,000.  In the retail, hospitality and leisure business, this grant is replaced with a grant of up to £25,000 based on the rateable value of the business.  For businesses with a rateable value of 15,000 or less there is a similar cash grant of £10,000. For businesses with a value of above £15,000 up to a value of £51,000 the value of the grant can increase up to £25,000.

There is no application process, and this will be processed by the local authorities through their business rates department.

There is also help with payroll. Essentially there are 3 options for each employee including those on zero-hours contracts.

a) **Do nothing.**  Any employee on a full-time contract will need to continue to be paid.  All employees on zero hours will be retained and not paid (since no hours will be done).  They will still accrue holiday pay.  This is the default position if no decision is made.  For those on zero hours, it would affect each employee’s ability to claim Universal Credit, so many would leave at which point all accrued holiday pay would need to be paid.

b) **Lay off staff.**  No further wages or holiday pay.  Staff laid off would claim Universal Credit or other government benefits. This will require a change in employee status and all employees will have to be written to.  Statutory redundancy conditions would apply.

c) **Governments Job Retention scheme.**  This requires all employees to have their status changed to "Furloughed".  To do this requires a letter to each employee offering the option to be furloughed, and then a second at a specified time later to confirm "Furloughed" status.  All employees would then be required to be notified to HMRC accordingly on a portal yet to be defined but said by the government to be available at the end of April. Halls would continue to pay the wages with up to 80% reimbursed by the government.  The situation of holiday pay is unclear, although it would negatively impact cash flow as wages need to be paid for each month and then reclaimed.

This is a choice impacting each employee, it does not have to be the same for all.

VAT payments can be deferred.  Again, you send in a VAT return as normal and defer the payment.  This is being centrally administered by central government and does not need any application by the business.

Finally, there are cash loans available from the commercial banks underwritten by government.  Tentative enquiries show that these will be available at 15% per annum interest after an initial period of 12 months interest free.  While not that attractive longer term, they may offset the cash flow impact of wages should a hall decide to use the governments job retention scheme.

This letter does not claim to be comprehensive and we would welcome any input to this process. Further updates, should there be any, will be posted to the Halls Support Group page on the Provincial website.

Kind regards

**Paul Heathcote and Barry Jameson**

**Halls Support Group**